

## Message Text

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ACTION OES-06

INFO OCT-01 EA-07 ISO-00 ACDA-07 CIAE-00 INR-07 IO-13 L-03

NSAE-00 NSC-05 EB-07 NRC-05 FEAE-00 DODE-00 USIA-06

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EUR-12 OMB-01 XMB-02 MC-02 /109 W

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R 080815Z JUL 76

FM AMEMBASSY TOKYO

TO USERDA GERMANTOWN

ERDA HQS WASHDC

INFO SECSTATE WASHDC 0658

C O N F I D E N T I A L TOKYO 10296

ERDA FOR SIEVERING

E.O. 11652: GDS

TAGS: TECH, JA

SUBJECT: SALE JAPANESE NUCLEAR EQUIPMENT TO USSR

REFS: 1) TOKYO 3385; 2) JUNE 29 TELECON HELFRICH-HENoch

1. AS FOLLOW-UP TO REF 1) AND PER REF 2), EMBOFF MET AGAIN WITH K. MORI, DIRGEN JAIF AND CHOREOGRAPHER USSR-JAPAN TALKS ON NUCLEAR EQUIPMENT SALES TO GET UPDATE ON STATUS SAME. MORI INDICATED THAT JAPANESE PROPOSAL ALREADY FURNISHED TO USSR AFTER RECEIPT COMPLETE PACKAGE TECHNICAL SPECIFICATIONS. MORI REPEATED PRIOR RECITATION THAT SINCE COMPLETE TECH SPECS FURNISHED BY SOVIETS NO RPT NO TRANSFER JAPANESE TECHNOLOGY INVOLVED. FURTHER STATED BELIEF THAT SOVIET TECHNOLOGY LAGS JAPANESE, BUT INSISTED THAT STRICT ADHERENCE TO SPECS PROVIDED BY SOVIETS WOULD PRECLUDE TECHNOLOGY TRANSFER.

2. SOVIET SCHEDULE CALLS FOR SIGNED AGREEMENT BY END 1976. JAPANESE EXPECTING JAPAN EX-IM BANK LOAN TO USSR AT REDUCED  
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(UNSPECIFIED) INTEREST RATE. JAPANESE HAVE INSISTED UPON CASH

RATHER THAN PAYMENT IN OTHER PRODUCTS MATERIALS OR SERVICES SUCH AS SWU'S.

3. MORI INDICATED KAI DANREN AGGRESSIVELY PUSHING FOR CONTRACT BOTH BECAUSE NUCLEAR INDUSTRY BADLY NEEDS BUSINESS AND TO ESTABLISH JAPANESE MANUFACTURERS AS RECOGNIZED WORLD-WIDE, COMPETITIVE NUCLEAR SUPPLIERS. MAINTAINS PROFIT WILL BE NEGLIGIBLE BECAUSE SOVIETS TOUGH NEGOTIATORS, BUT EVEN MORE OPTIMISTIC THAN PREVIOUSLY ABOUT CHANCES OF OBTAINING CONTRACT. INDUSTRY EXPECTS CONTRACT TO ELEVATE STATUS NUCLEAR MANUFACTURERS TO LEVEL OF EUROPEAN SUPPLIERS.

4. MORI STATED THAT MITSUBISHI, CONCERNED ABOUT LICENSING PROBLEM, SENT GROUP TO WESTINGHOUSE ON TWO OCCASIONS TO DISCUSS IMPLICATIONS. MORI STATED THAT MITSUBISHI FIRMLY CONVINCED THAT NO RPT NO LICENSING PROBLEM EXISTS. MORI WISHES TO KNOW WHETHER WESTINGHOUSE-USG CONTACT REQUIRED TO CONFIRM NONEXISTENCE LICENSING REQUIREMENT OR WHETHER WESTINGHOUSE CAN MAKE OR HAS MADE FINDING ALONE.

5. ON COCOM APPROVAL, CERTAIN (UNSPECIFIED) COUNTRIES HAVE VERY RECENTLY BEEN INFORMALLY AND UNOFFICIALLY APPROACHED BY MITI. MORI WISHES TO HAVE MITI MAKE INFORMAL AND UNOFFICIAL APPROACH TO USG AND REQUESTS DIRECTION ON METHOD AND CONTACT FOR SUCH APPROACH. MITI AWARE OF FORMAL CHANNEL BUT WISHED TO TEST CLIMATE INFORMALLY FIRST. IF PROBLEM CREATED BY MITI-USG CONTACT WOULD MITSUBISHI-USG CONTACT BE PREFERABLE? OR WOULD USG CONTACT WITH CONTINGENT COMPRISED OF ALL PARTICIPATING JAPANESE INDUSTRIAL ORGANIZATIONS BE BETTER? REQUEST INSTRUCTIONS.

6. ON RELATED SUBJECT, NAMELY SOVIET NUCLEAR MANUFACTURING CENTER, MORI INDICATED PUBLISHED ARTICLES (SEE JUNE 25 ERDA BIWEEKLY) CORRECT EXCEPT FOR STATEMENT THAT MITSUBISHI ORGANIZER OR PRIME CONTACT FOR JAPANESE PARTICIPATION IN VENTURE. FACT IS THAT RUSSIANS ARE SUBBING OUT EACH PIECE OF EQUIPMENT INDIVIDUALLY AND HAVE MADE CONTACTS WITH POTENTIAL SUPPLIERS FOR MANY ITEMS.

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## Message Attributes

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